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SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

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FORM 10-Q

Quarterly Report Under Section 13 or 15(d)
of the Securities Exchange Act of 1934

For the Quarter Ended March 31, 1992 Commission File No.0-12092

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FIRST NATIONAL CORPORATION
(Exact name of registrant as specified in its charter)

NORTH DAKOTA	45-0375407
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

322 Demers Avenue
Grand Forks, North Dakota 58201
(Address of principal executive offices)

Registrant's telephone number, including area code: (701) 795-3200

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes Y No __

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of April 30, 1992.

Class	Outstanding at April 30, 1992
Common Stock (No par value)	1,474,677 Shares

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FIRST NATIONAL CORPORATION

FORM 10-Q

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PART I - FINANCIAL INFORMATION

ITEM 1 - Financial Statements

FIRST NATIONAL CORPORATION
AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEET
March 31, 1992 and December 31, 1991

(dollars in thousands) ASSETS	March 31, 1992 (Unaudited)	December 31, 1991
Cash and Due From Banks	$ 20,270	$ 27,725
Federal Funds Sold	6,915	24,479
Cash and Cash Equivalents	$ 27,185	$ 52,204
Interest-Bearing Deposits in Banks	131	875
Investment Securities	116,254	105,125
Loans and Leases	220,120	218,380
Unearned Discount	(529)	(761)
Allowance for Loan Losses	(4,563)	(4,452)
Net Loans and Leases	$215,028	$213,167
Bank Premises and Equipment	10,066	10,170
Accrued Interest Receivable	4,200	3,892
Other Assets	3,216	3,431
	$ 376,080	$ 388,864
LIABILITIES AND SHAREHOLDERS' EQUITY		
Deposits:		
Noninterest-Bearing	$ 40,390	$ 51,467
Interest-Bearing	295,830	295,154
Federal Funds Purchased and Securities Sold Under Agreements to Repurchase	2,120	2,358
U.S. Demand Notes	1,718	2,005
Other Borrowed Funds	2,112	3,226
Accrued Interest Payable	2,815	3,477
Accrued Taxes and Expenses	1,362	1,817
Dividends Payable	191	176
Other Liabilities	1,844	2,330
Total Liabilities	$ 348,382	$ 362,010
Shareholders' Equity:		
Common Stock, No Par Value, 5,000,000 Shares Authorized Shares Issued and Outstanding: March 1992: 1,473,061 December 1991: 1,466,658	$ 7,809	$ 7,896
Surplus	1,336	1,336
Retained Earnings	18,553	17,622
Total Shareholders' Equity	$ 27,698	$ 26,854
	$376,080	$ 388,864

See Accountants' Review Report

FIRST NATIONAL CORPORATION
AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF INCOME
For the Three Month Period Ended March 31, 1992 and 1991
(Unaudited)

(dollars in thousands except amounts per share)	March 31 1992	March 31 1991
INTEREST INCOME		
Loans, Including Fees	$ 5,770	$ 5,355
Investment Securities:		
Taxable	1,786	1,686
Exempt from Federal Income Taxes	257	313
Federal Funds Sold	193	264
Deposits with Banks	19	11
Total Interest Income	$ 8,025	$ 7,629
INTEREST EXPENSE		
Deposits	$ 3,830	$ 4,175
Federal Funds Purchased and Repurchase Agreements	18	32
Other Borrowed Funds	74	171
Total Interest Expense	$ 3,922	$ 4,378
NET INTEREST INCOME	$ 4,103	$ 3,251
Provision for Loan Losses	(195)	(195)
NET INTEREST INCOME AFTER PROVISION FOR LOAN LOSS	$ 3,908	$ 3,056
OTHER OPERATING INCOME		
Trust Income	$ 657	$ 576
Service Charges on Deposit Accounts	230	232
Other	197	169
Securities Gains (Losses)	(35)	7
Total	$ 1,049	$ 984
OTHER OPERATING EXPENSE		
Salaries	$ 1,457	$ 1,232
Profit Sharing and Employee Benefits	397	356
Net Occupancy Expense	227	191
Furniture and Equipment Expense	342	254
Other	1,028	924
Total	$ 3,451	$ 2,957
INCOME BEFORE INCOME TAXES	$ 1,506	$ 1,083
Applicable Income Taxes	480	309
NET INCOME	$ 1,026	$ 774
AVERAGE NUMBER OF COMMON SHARES OUTSTANDING	1,469,613	1,455,465
PER SHARE OF COMMON STOCK:		
Net Income Per Share	$.70	$.53
Cash Dividends Declared	$.13	$.12

See Accountants' Review Report

FIRST NATIONAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CASH FLOWS
For the Three Months Ended March 31, 1992 and 1991
(Unaudited)

(dollars in thousands)	March 31, 1992	1991
OPERATING ACTIVITIES		
Net Income	$1,026	$774
Adjustment to Reconcile Net Income to Net Cash Provided by Operating Activities:		
Provision for Loan Losses	195	195
Depreciation and Amortization	392	334
(Gain) Loss on Sale of Investment Securities	34	(7)
(Gain) Loss on Sale of Assets Acquired Through Foreclosure	(1)	3
Investment Security Premium Amortization	48	2
Increase in Accrued Interest Receivable	(308)	(940)
Decrease in Accrued Interest Payable	(662)	(569)
Decrease in Accrued Taxes and Expenses	(455)	(139)
Increase in Other Assets	(271)	(373)
Decrease in Other Liabilities	(471)	(525)
Accretion of Unearned Income	(127)	(180)
Net Cash Provided by Operating Activities	$(600)	$(1,425)
INVESTING ACTIVITIES		
Proceeds from Maturities of Investment Securities	$6,223	$5,756
Purchases of Investment Securities	(17,434)	(13,739)
Proceeds from Maturities Deposits With Banks	744	1,000
Net Decrease in Loans and Leases	(1,929)	2,003
Purchases of Bank Premises and Equipment	(203)	(448)
Proceeds From Sale of Assets Acquired Through Foreclosure and Satisfaction of Loans	411	19
Net Cash Provided by Investing Activities	$(12,188)	$(5,409)
FINANCING ACTIVITIES		
Net (Decrease) Increase in Deposits	$(10,401)	$(8,651)
Net (Decrease) Increase in Short-Term Borrowings	(525)	(1,330)
Cash Dividends	(191)	(175)
Repayment of Other Borrowed Funds	(1,114)	(1,088)
Net Cash Provided by Financing Activities	$(12,231)	$(11,244)
DECREASE IN CASH AND CASH EQUIVALENTS	$(25,019)	$(18,078)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	52,204	40,230
CASH AND CASH EQUIVALENTS AT END OF PERIOD	$27,185	$22,152
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:		
Cash paid during the period for:		
Interest	$ 4,585	$ 4,947
Income Taxes	183	237
SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES:		
Loan Principal Reductions from Receipt of Noncash Assets	$ 305	$ 45

See Accountants' Review Report

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

NOTE 1 **Summary of Significant Accounting Policies**

The foregoing financial statements are unaudited. In the opinion of Management, all adjustments (comprising only normal recurring accruals) necessary for a fair presentation of the financial statements have been included. A summary of the Corporation's significant accounting policies is set forth in Note 1 to the Consolidated Financial Statements in the Corporation's 1991 Annual Report.

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FIRST NATIONAL CORPORATION
AND CONSOLIDATED SUBSIDIARY
FINANCIAL STATEMENTS

The interim financial statements are unaudited but, in the opinion of management, reflect all adjustments necessary for a fair presentation of results for such periods. The results of operations for any interim period are not necessarily indicative of results for the full year. These financial statements should be read in conjunction with the financial statements and notes thereto contained in the Company's annual report for the year ended December 31, 1991.

Brady, Martz & Associates, P.C., the Company's auditors, have performed a limited review of the consolidated financial statements included herein. Their report on such review accompanies this filing.

BRADY MARTZ

CERTIFIED PUBLIC ACCOUNTANTS

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

Board of Directors and Shareholders
First National Corporation

We have made a review of the consolidated balance sheet of First National Corporation and subsidiaries as of March 31, 1992, and the related consolidated statements of income for the three month periods ended March 31, 1992 and 1991, in accordance with standards established by the American Institute of Certified Public Accountants. The consolidated balance sheet as of December 31, 1991 has been derived from, and does not include all the disclosures contained in, the consolidated financial statements for the year ended December 31, 1991. These financial statements were audited by us and our report thereon, dated January 31, 1992, expressed an unqualified opinion on them.

A review of interim financial information consists principally of obtaining an understanding of the system for the preparation of interim financial information, applying analytical review procedures to financial data, and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an examination in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to the consolidated balance sheet as of March 31, 1992 and the consolidated statements of income and cash flows for the three month periods ended March 31, 1992 and 1991, for them to be in conformity with generally accepted accounting principles.

Brady Martz & Associates, P.C.

BRADY, MARTZ AND ASSOCIATES, P.C.

Grand Forks, North Dakota
May 13, 1992

BRADY MARTZ & ASSOCIATES, P.C.
400 Demers Avenue Suite 300 P.O. Box 1676

FIRST NATIONAL CORPORATION
AND CONSOLIDATED SUBSIDIARIES

Item 2 - Management's Discussion and Analysis of Financial Condition and Results of Operations

A. Highlights

($ in thousands except per share amounts)	Three Months Ended March 31, 1992	1991	Increase (Decrease) Amount	Percentage
Net Income	$1,026	$774	$ 252	32.6%
Dividends Declared	191	175	16	9.1%
Per Share				
Net Income	$.70	$.53	.17	32.1%
Dividends Declared	.13	.12	.01	8.3%

($ in thousands except per shares amounts)	March 31, 1992	December 31, 1991	Increase (Decrease) Amount	Percentage
Assets	$376,080	$388,864	(12,784)	(3.3%)
Deposits	336,220	346,621	(10,401)	(3.0%)
Loans (net of unearned income)	219,591	217,619	(1,972)	.9%
Investment Securities	116,254	105,125	11,129	10.6%
Fed Funds Sold	6,915	24,479	(17,564)	(71.8%)
Shareholder's Equity	27,698	26,854	844	3.1%
Per Share:				
Book Value	$18.80	$18.31	$.49	2.7%

B. Earnings Summary

($ in thousands)	Three Months Ended March 31, 1992	1991	% Change
Net Interest Income Tax Equivalent Basis	$4,242	$3,445	23.1%
Noninterest Income	1,049	984	6.6%
Provision for Loan Losses	195	195	-
Noninterest Expense	3,451	2,957	16.7%
Net Income	1,026	774	32.6%
Return on Average Assets	1.10%	.95%	15.8%
Return on Average Shareholders' Equity	15.13%	12.69%	19.2%

(1) Overview

First National Corporation's (the "Company") net income totaled $1,026,000 for the three month period ended March 31, 1992, an increase of $252,000 or 32.6% from $774,000 reported for the same period in 1991. The favorable change in earnings performance from the comparative three month period resulted primarily from an increase in net interest income. The increase in net interest income was caused by primarily two factors.

First, the downward shift in interest rates has caused a favorable effect on the interest margin as deposits have repriced more rapidly than loans. The impact of repricing is expected to level off during the latter part of 1992. Secondly, the interest margin identified with the acquired assets and assumed deposits of the former First Federal of Fargo contributed to the net interest income increase. The income and expense effect of the newly acquired earning assets is included in the Company's results of operations from November 1991.

Net interest margin, on a tax equivalent basis, increased to 4.99% for the first quarter of 1992 compared to 4.63% for the same period in 1991. Net interest margin in the second quarter and for the year 1992 as a whole is expected to stabilize as interest rates level off and as the repricing of interest earning assets and deposits is completed.

(2) Net Interest Margin

	Three Months Ended			
	March 31, 1992		March 31, 1991	
($ in thousands)	Amount	Rate	Amount	Rate
Interest Income (Tax Equivalent)	$8,164	9.60%	$7,823	10.52%
Interest Expense	3,922	5.24%	4,378	6.81%
Net Interest Income	$4,242		$3,445	
Net Interest Spread		4.36%		3.71%
Net Interest Margin		4.99%		4.63%

Tax-equivalent net interest income for the first three months of 1992 increased $797,000 or 23.1% as compared to the same period in 1991. Increases in net interest income in the near future will likely originate from overall growth rather than from increases in interest spreads, which are anticipated to stabilize.

(3) Credit Quality

The provision for loan losses for the first three months of 1992 was $195,000 compared with $195,000 for the same period of 1991, and $780,000 for the full year 1991. Net loan charge-offs totaled $84,000 in the first three months of 1992 compared with net charge offs of $88,000 for the same period in 1991 and with net charge-offs of $670,000 for the full year 1991. At March 31, 1992, the allowance for loan losses was $4,563,000 or 2.1% of gross loans, compared with 2.0% at December 31, 1991.

Nonperforming loans at March 31, 1992, which includes non-accrual loans, restructured loans and loans past due 90 days or more, totaled $3,894,000 or 1.8% of gross loans outstanding, compared with 3,727,000 or 1.7% at December 31, 1991. Nonperforming agricultural loans represent $456,000 or 11.7% of total nonperforming loans and 1.1% of total agricultural loans outstanding at March 31, 1992.

(4) Noninterest Income

Noninterest income totaled $1,049,000 in the first three months of 1992, up $65,000 or 6.6% compared to the same period in 1991. Trust income increased $81,000 or 14.1% to $657,000. The higher level of noninterest income is expected to continue for the remainder of the year, particularly as trust services are expanded.

Investment securities losses were $35,000 in the first quarter of 1992 compared to gains of $7,000 for the same period in 1991.

(5) Noninterest Expense

Noninterest expense totaled $3,451,000 for the first three months of 1992 compared to $2,957,000 for the same period in 1991. This represents an increase of $494,000 or 16.7%. The increase resulted primarily from the costs of assimilating First Federal of Fargo and the additional expenses related to operating the new Fargo locations. Salaries and employee benefits, the largest component of noninterest expense, increased $266,000 or 16.8% to $1,854,000.

The premium assessment for FDIC insurance has increased substantially in the last two years. The rate has increased from an annual charge of 12 cents per $100 of deposits in 1990 to 23 cents per $100 of deposits for the first half of 1992. The rate is expected to increase further to 30 cents during the latter part of 1992, likely effective for 1993. The premiums in terms of dollars of expense increased from $135,000 for the first quarter of 1991 to $179,000 for the same period in 1992. Congress is considering both rate increases and a one time charge as possible means of replacing balances that have been depleted from the FDIC insurance fund.

The Financial Accounting Standards Board has issued a recent statement (FASB Statement No. 106) requiring employers to accrue an estimated liability for post retirement benefits other than pensions. The statement requires potential costs for such benefits to be charged to expense over the time benefits are earned and be fully accrued by the time of retirement. The statement will become effective for fiscal years beginning after December 15, 1992. The Company does not currently offer any such benefits that would result in significant expenses after the retirement of any employee.

(6) Income Taxes

Income taxes increased from $309,000 for the first quarter of 1991 to $480,000 for the same period in 1992, resulting in an increase of the effective tax rate from 28.5% in 1991 to 31.9% in 1992. The tax rate increase is a combination of increases in pretax income relative to tax-exempt income and reductions in tax-exempt income due to runoff of tax-exempt securities. The effective tax rate is expected to continue increasing as the above factors become more prominent.

C. Balance Sheet

(Average balances in thousands)	Three Months Ended March 31, 1992	1991	Difference Amount	Percent
Investments and Cash Equivalents	$125,806	$112,042	$13,764	12.3%
Gross Loans	216,342	189,570	26,772	14.1%
Earning Assets	342,148	301,549	40,599	13.5%
Total Assets	373,883	328,707	45,176	13.7%
Deposits	335,665	287,412	48,253	16.8%
Interest Bearing Liabilities	301,294	260,689	40,605	15.6%

(1) Review of Average Balances

The growth reflected in the average balance increases is primarily attributed to the acquisition of loans and the assumption of deposits from the former First Federal of Fargo. The Company received approximately $17,400,000 in cash from the excess of deposits assumed compared to assets purchased. The cash received in the acquisition is the primary reason for the increase in investments and cash equivalent average balances of $13,764,000. Approximately $20,000,000 of the increase in average loan balances is associated with the acquisition of First Federal of Fargo. The remaining portion of the growth in loans has partially been a reflection of the economic growth in the region, and partially been a result of attaining a greater share of the consumer financing market.

The greatest potential for loan growth exists in the Fargo market, where the Company's market presence has been enhanced with the acquisition of First Federal of Fargo. Real estate mortgages had been the main focus of lending for the previous institution. The Company will expand the focus to include a full range of lending services. Loan growth in consumer financing is expected to continue in the Grand Forks area. Some potential exists for growth in real estate loans as the Company may retain more loans instead of selling them on the secondary market, as has been the practice in the recent two year period. Commercial and agricultural loans in the Grand Forks area have been stable with new loans representing replacement of runoff as existing loans payout. Management believes that potential growth for commercial and other loans will be most favorable in the Fargo and West Fargo market, where economic growth is expected to exceed the average growth of the region.

Approximately $37,000,000 of the increase in average deposit balances is associated with the acquisition of First Federal of Fargo. The remaining portion of the increase in deposits was caused primarily by the economic recovery of the region from below average farming conditions. The greatest potential for deposit growth is expected to be in the Fargo market, as the Company expands its services to a new base of customers. The Company has begun to expand its marketing efforts to more aggressively promote its products and services and expects to take advantage of marketplace growth opportunities in addition to seeking expansion of market share.

(2) Liquidity and Capital Management

On March 31, 1992, investment securities due within one year and Federal Funds sold totaled $30,322,000 or 8.9% of earning assets. This compares with $47,497,000 or 13.6% of earning assets reported at December 31, 1991. Management feels this liquidity is appropriate given its projections for future loan growth and expectations of seasonal deposit growth during the latter part of 1992.

Long term debt decreased from $3,226,000 at year end 1991 to $2,112,000 at March 31, 1992. The debt consists primarily of mortgage indebtedness on rental property owned by First National Realty, a wholly owned subsidiary of the Company. The balance of that debt at March 31, 1992 was $1,475,000. The remaining balance of long term debt is primarily funded by Norwest Bank Minnesota in the form of a five-year note subject to annual principal reduction. The Company continues to follow a strategy of making periodic reductions on corporate debt in an effort to payoff the indebtedness ahead of the scheduled maturity.

At March 31, 1992, shareholders' equity totaled $27,698,000 resulting in an equity capital to total assets ratio of 7.4%. The equity capital to total assets ratio at December 31, 1991 and March 31, 1991 was 6.9% and 7.6%, respectively.

The Company is monitoring its regulatory capital position under the risk based capital requirements, which took effect December, 1990. Under those guidelines, the Corporation is required to maintain a minimum tier one capital of 4%, and a total capital of 8% by the year 1992; a lower requirement is allowed for the two-year transition period which began in 1990. Tier one capital includes capital stock, surplus and retained earnings. Total capital includes tier one capital and other components identified as tier two capital, which includes items such as balances of the allowance for loan loss. The capital requirement percentages are calculated by dividing certain components of equity into risk weighted assets. Risk weighting of assets is specified by the guidelines and is calculated by applying certain percentage calculations to all balance sheet assets depending on the nature and risk of the asset structure. Currently, the Corporation's capital position exceeds those requirements, with both tier one capital and total capital in excess of the 8% minimum requirement. No difficulty in meeting the requirements in the future is expected. First National Corporation declared a first quarter cash dividend equal to $.13 as compared to $.12 for the same period in 1991.

FIRST NATIONAL CORPORATION
PART II - OTHER INFORMATION

ITEM 4 - Results of Votes of Security Holders

None

ITEM 6 - Exhibits and Reports on Form 8-K.

(a) Exhibits

None

(b) Reports on Form 8-K

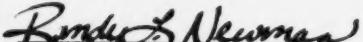
None

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

FIRST NATIONAL CORPORATION
(Registrant)

Date: May 13, 1992



Randy L. Newman, Vice President
(Mr. Newman is the Principal Financial and Accounting Officer and has been duly authorized to sign on behalf of the registrant.)